

AUSTIN HOUSING FINANCE CORPORATION

Application for G. O. Bond Financing for Homeownership Projects

Project Name: Austin Neighborhood Alliance for Habitat

Project Address: 310 Comal, #100 Zip Code 78702

No. of units: 50 - 65 Project type: **XX** Predevelopment ☐ Acquisition ☐ Rehabilitation ☐ New construction

Amount of funds requested: \$1,000,000.00

Terms: As stated in application.

Role of applicant in Project (check all that apply): ☒ Owner ☐ Developer ☐ Sponsor

1. Applicant Information (If applicant is not acting as the developer, please provide all of the information below for the developer as well as for the applicant. If the developer involves multiple entities, is a partnership or joint venture, please provide duplicative information for each, and identify the entity that will serve as the "lead" organization).

Austin Neighborhood Alliance for Habitat
Name

310 Comal, #100
Street Address

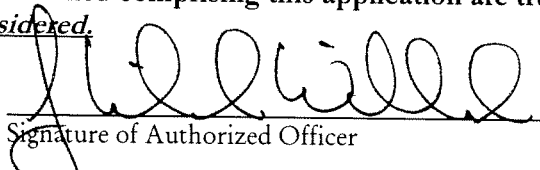
<u>Austin</u>	<u>Texas, 78702</u>	<u>512-472-8788</u>
City	State, Zip	Telephone #

<u>Christian Noll</u>	<u>512-472-8788 x104</u>	<u>512-472-8788 x104</u>
Contact Person	Contact's Telephone #	Fax #

20-3364881
Federal Tax ID Number or SS#

The applicant/developer certifies that the data and exhibits contained comprising this application are true and correct. Unsigned/undated submissions will not be considered.

Austin Neighborhood Alliance for Habitat, Inc
Legal Name of Developer


Signature of Authorized Officer

Board President
Title

11/1/2007
Date

2. **For non-profit applicants/developers only, include copies of the following:**
 - a. Articles of Incorporation
 - b. Certificate of Incorporation filed with the State of Texas
 - c. Federal IRS certification granting non-profit status
 - d. Names, addresses and phone numbers of current board members
 - e. Certified financial audit for most recent year, which shall include the auditor's opinion and management letters
N/A
 - f. Board resolution approving the proposed project and authorizing the request for funding
3. **Project Description** – In one page or less, describe the project including the information listed below:

- a. In addition to providing an Itemized Development Budget through your response to Question 11, summarize the key financials of the project, clearly indicating total project cost, the amount and intended use of AHFC funds requested, amount and provider of other funding and the stage of those commitments.

The Austin Neighborhood Alliance for Habitat requests funds in the amount of \$1,000,000.00 from The Austin Housing Finance Corporation (AHFC) in conjunction with its Notice of Funding Availability (NOFA) for the Acquisition and Development Program in Affordable Housing General Obligation (G.O. Bond) to initiate and further complete infrastructure work on the 15.301 acre parcel known as Sendero Hills, Phase IV, located in Southeast Austin, Texas.

Land will be purchased by The Austin Neighborhood Alliance for Habitat, an affiliate organization of Austin Habitat for Humanity ("Austin Habitat"). Once infrastructure is completed, Austin Habitat will initiate construction of up to 65 zero-interest, affordable single-family homes. Austin habitat will utilize this opportunity to build upon existing and new relationships within the community to fund affordable home construction. This project will play a key role in Austin Habitat's strategic goal to achieve capacity levels of affordable housing.

Individual site addresses of the affordable homes described in this proposal are not yet assigned; however, all activity will take place within the Sendero Hills Phase IV Subdivision in Southeast Austin. Please see attached Final Plat dated September 8, 2006 for Sendero Hills Phase 4 Subdivision.

There will be four key stages in the development of this project, as follows: 1) Land Acquisition & Pre-Development (expected to occur in 2/08 and estimated at \$964,771); 2) Securing and Packaging Project Financing (expected to occur in 4/08 – 6/08); 3) Infrastructure Construction Bid Process & Completion (expected to occur in 7/08 – 12/08 and estimated at \$1,309,901); and, 4) Home Construction (expected to begin in 2/09 and estimated at \$3,447,490).

Over 58,000 Austinites live in substandard or overcrowded housing. Rent often exceeds a family's income. Austin rental rates now rank as the most expensive in Texas, with homeownership rates lower than the national average. Most low-income families in Austin have one option for achieving homeownership... Austin Habitat for Humanity.

Habitat HomeBuyers are identified following community outreach and social service notification of program application opportunities. Open orientations are then scheduled at Austin Habitat or other community venues and applicants are processed and screened according to AHFH program guidelines. Every year, a number of persons with special needs are approved through the program and receive the opportunity to purchase AHFH homes. All current AHFH homes are

constructed for no-step access and visitability, and some have been outfitted accommodate the special needs of the applicant as identified at the time of application.

- b. Location by street address and include an area map with properties indicated.

Individual site addresses of the affordable homes described in this proposal are not yet assigned; however, all activity will take place within Sendero Hills Phase IV Subdivision in Southeast Austin. Please see attached Final Plat dated September 8, 2006 for Sendero Hills Phase 4 Subdivision.

- c. Type of structure (multi-family or single-family), square footage, number and size of units.

The Austin Neighborhood Alliance for Habitat will construct 50-65 single-family homes, ranging from 1,080 sq. ft – 1,400 sq. ft depending on the needs/qualifications of the family.

- d. If there are existing structures, provide documentation from the taxing authority or other third-party source indicating the year the structure was built.

N/A

- e. Proposed homebuyers including number and type of individuals to be served, and yearly income relative to all funding source requirements of 30%, 50%, 65% or 80% MFI.

Proposed homebuyers will be identified as those who complete The Austin Habitat HomeBuyer program, which selects and qualifies applicants based on three criteria: Need, Ability to Pay a Mortgage, and Willingness to Partner with Austin Habitat for Humanity, an affiliate organization of The Austin Neighborhood Alliance for Habitat. The partnership requirement entails 400 hours of active program involvement and serves as a “waiting list”. The 50 – 65 lots developed under this application request will be offered to those low-income program participants (25% - 50% median family income) with zero income mortgages. A certain number of the 50 – 65 lots may be offered to low-income housing developers who will purchase lots from The Austin Neighborhood Alliance for Habitat, which will be sold to buyers below 80% MFI.

- f. Whether the project is occupied at the time of proposal submission.

The proposed project is not currently occupied.

- g. Compatibility with current Neighborhood Plan (if applicable).

N/A

4. Site Control and Demonstration of Value

See attached Real Estate Contract between Westminster Falcon/Trinity LLP and Austin Neighborhood Alliance for Habitat, Inc. dated September 28, 2007. See attached Uniform Residential Appraisal Report performed by Ward Appraisal Service, dated October 31, 2007, which indicates a projected appraisal value (Sales Comparison Approach) of \$104,000.00 of Lot 43, Block C, Sendero Hills Subdivision, including projected improvements of Habitat House Plan 1092 (2 bedroom, 1.5 bath home, 1,092 sq. ft). See attached Land Appraisal performed by Curt Friedland Appraisals, dated November 1, 2007, which indicates an unimproved land appraisal value of \$900,000.00 for Sendero Hills, Phase IV Subdivision, Austin, Texas.

5. Zoning

See attached letter from the City of Austin's Watershed Protection and Development Review Department.

6. S.M.A.R.T. Housing

See attached letter dated October 22, 2007 from Steve Barney of the City of Austin, S.M.A.R.T. Housing Initiative, Neighborhood Housing and Community Development. Additionally, please see the attached email dated September 25, 2007 from Steve Barney regarding this application requirement. Should you have any questions or believe these documents fail to meet the Threshold Requirement per the application, please contact Mr. Barney directly at 974-3126.

7. Development Team

Identify the entities anticipated to be involved in implementing the project including lenders, attorneys, accountants, architects, engineers, general contractor, sub-contractors, property managers and consultants. Also, indicate if any entity is certified by the City of Austin as a minority or women-owned business enterprise (MBE/WBE), or if any of the entities are also a non-profit entity.

	Name(s) & Any Comments on Role	MBE? (Mark X if Yes)	WBE? (Mark X if Yes)	Non- profit? (Mark X if Yes)
Owner	Austin Neighborhood Alliance for Habitat			xxx
Developer	Austin Habitat for Humanity			xxx
Architect	Austin Habitat for Humanity			xxx
Engineer	Carlson, Brigance & Doering, Inc.			
Construction Lender	Austin Habitat for Humanity			xxx
Other Lenders	Austin Housing Finance Corp.			
Attorney	Hancock & McGill			
Accountant	Mary Bird Bowman & Co.		xxx	
General Contractor	TBD			
Consultant (if Applicable)	Greenlights			xxx
Property Management Provider	Austin Habitat for Humanity			xxx
Other:	Plumbing Subcontractor, Janet's Plumbing		xxx	

8. Development Schedule. Complete the grid below. Re-order the steps according to the appropriate sequence for your project, and add in any other significant steps integral to your project's development. If the development schedule differs across several properties to be involved in the project, provide a development schedule for each property.

	DATE(S)
Acquisition and/or holding	2/08
Environmental and/or historic review (AHFC)	4/08-6/08
Securing and packaging project financing	4/08-6/08
Construction Specifications and Cost estimates	7/08 – 9/08
Construction Bids	7/08 – 9/08
Construction Start	10/08-12/08
Anticipated Draws (list all)	2/08, 10/08, 11/08, 12/08
End Construction	1/09
Marketing and Sales	6/08-11/10
Close home sales	2/09-2/11

9. Experience and Qualifications – Homeownership Development

- a. Is this the developer's first housing project? ☐ Yes x No
- b. Completed projects (complete table below):

COMPLETED PROJECTS				
Address	Number of Units	New or Rehab	Type of Property (apartments, SF units, etc.)	Year Completed
6905 Villita Cove	1	New	Single Family	2007
6905 Villita Avenida	1	New	Single Family	2007
1206 Frontera Ln	1	New	Single Family	2007
7103 Villita Avenida	1	New	Single Family	2007
6410 Ponca	1	New	Single Family	2007
7104 Villita Avenida	1	New	Single Family	2007
208 Lane, Manor, TX	1	New	Single Family	2007
212 Lane, Manor, TX	1	New	Single Family	2007
303 Boyce, Manor, TX	1	New	Single Family	2007
305 Boyce, Manor, TX	1	New	Single Family	2007
(21 homes in 2007 projected)				

- c. Describe below the experience/qualifications in completing projects similar in size and scope that indicates the developer's ability and capacity to implement the proposed project. If this is the applicant's first project of this type, please provide a detailed description of the experience of the other members of the development team with similar projects.

In 2007, Austin Habitat and the Austin Neighborhood Alliance and Austin Habitat for Humanity will complete twenty-one single-family homes in the Frontier at Montana subdivision in the Montopolis neighborhood on land purchased with CHDO funds, a number of homes in the city of Manor and within a new subdivision development at Austin's Colony. The proposed individual home construction projects will be of similar size and design as these projects.

Austin Habitat has produced some 202 affordable, single-family homes, sold to low-income homebuyers. Experienced staff and volunteers supervise the construction of volunteer-driven construction efforts and coordinate intake, screening, credit counseling by certified professionals and financial education learning opportunities.

Austin Habitat complies with all fair housing regulations in its marketing, HomeBuyer selection and home sales. Sub-contractors are utilized to complete various aspects related to infrastructure

and home construction while certified professionals ensure quality Habitat homes comply with City of Austin or other local code requirements. Inspectors review each project before a final certificate of occupancy is obtained and the house is sold to the homebuyer. When working with federal funds, Austin Habitat complies with all federal requirements including Davis-Bacon regulations and reporting procedures.

Austin Neighborhood Alliance and Austin Habitat are currently engaged in a partnership with the City of Austin and the Austin Housing Finance Corporation to create 43 affordable housing units in a new Austin Habitat subdivision, Devonshire Village. AHFC has partially funded the infrastructure of this project which began in 2007 and will see new home construction begin in 2008. All Devonshire Village administration, reporting and compliance issues are closely aligned with those outlined in GO Bond funding and are well within the capacity of the Alliance and Austin Habitat.

10. Detailed Project Budget – Use the following table to provide a complete project budget. Add line item categories as necessary. (See next page)

DETAILED PROJECT BUDGET		
	Cost	Description
PREDEVELOPMENT		
Appraisal	5,000	
Environmental Review	24,758	
Engineering	22,384	
Survey	51,375	Existing survey to be delivered @ closing. Cost represents updating and/or recertification as necessary.
Architectural	35,000	
TOTAL PREDEVELOPMENT	\$ 138,517	
ACQUISITION		
Site and/or Land	826,254	
Structures	0	None existing at time of purchase.
Other (specify)	0	
TOTAL ACQUISITION	\$ 826,254	
CONSTRUCTION		
*Note: Budget reflects construction costs @ 50 homes and does not include Gifts-in-Kind (GIK).		
Infrastructure	1,309,901	15.301 acre parcel
Site work	102,750	
Demolition	0	
Concrete	510,000	
Masonry	0	
Rough carpentry	435,000	
Finish carpentry	78,000	
Waterproofing & Insulation	120,000	
Roofing & Sheet Metal	117,000	
Plumbing/Hot Water	255,000	
HVAC	195,000	
Electrical	162,000	
Doors/Windows/Glass	69,000	
Lath & Plaster/ Drywall & Acoustical	189,000	
Tile work	0	
Soft & Hard Floor	60,000	
Paint/Decorating/Blinds/Shades	15,000	
Specialties/Special Equipment	135,000	
Cabinetry/Appliances	111,111	
Carpet	0	
Other (Please specify)	250,750	Permits, landscaping, misc.
Construction Contingency	390,440	
TOTAL CONSTRUCTION	\$ 4,524,841	
SOFT & CARRYING COSTS		
Legal	5,000	
Audit/Accounting	6,000	
Title/Recording	7,800	
Architectural (Inspections)	102,750	
Construction Interest	0	
Construction Period Insurance	70,000	
Construction Period Taxes	0	
Relocation	0	
Marketing	11,000	
Davis-Bacon Monitoring	30,000	
Other: (Specify)	0	
TOTAL SOFT & CARRYING COST	\$ 232,550	
TOTAL PROJECT BUDGET	\$ 5,722,162	

11. Funds Proposal - Provide the following information to facilitate financial review of the proposed project:

- a. **Sources and Uses of Funds** - Complete Tables A & B below, identifying all sources and uses of funds to implement project and include evidence of funds anticipated (financial statements, letters of commitments, etc.).
- b. **Leveraging** - Complete Table C below. Include evidence of other funds leveraged by AHFC funds to implement the project such as owner equity and commitments from private and/or other public resources.

TABLE A: SOURCES OF FUNDS SUMMARY					Intended Use of Fund (Predevelopment, Acquisition, Construction, Soft Costs)
	Term	Interest Rate	Amount	Evidence (Deed, Sales Contract)	
Owner Equity					
Private Financing (List Lenders Below)					
Other Sources (List Below)					
Community-Sponsored Houses			3,250,000	Certificate of Occupancy	Construction of Homes
Community Funds			1,472,162	Unrestricted	Construction/ Soft & Carrying Costs
G.O. Bond Funds			1,000,000		Acquisition/ Predevelopment/ Construction (Begin Infrastructure)

TABLE B: USES OF FUNDS SUMMARY		
	Total Cost	Cost/Unit
Predevelopment	138,517	2,770
Acquisition	826,254	16,525
Hard Costs	4,524,841	90,497
Soft & Carrying Costs	232,550	4,651
Other Costs	0	0
Total Project Costs	5,722,162	114,443

TABLE C: LEVERAGE SUMMARY	
TOTAL A&D G. O. BOND FUNDS	\$1,000,000.00
TOTAL OTHER FUNDS	\$4,722,162.00

12. Neighborhood Support

See attached letter of support from Barbara Scott, President, Colony Park Neighborhood Association, dated October 29, 2007. See attached letter of support from Larry Cabrera, President, Sendero Hills Property Owners Association, dated September 27, 2007.

13. Partnership with Non-profit entities

See **Operational Agreement between Austin Neighborhood Alliance for Habitat and Austin Habitat for Humanity**. Additionally, Austin Habitat has a long history of partnership with the community and with other non-profits to achieve the annual housing goals of the organization. Each year, some 6000 volunteers assist in the construction of Austin Habitat homes and in the operations of the organization. Almost half of these volunteers are members of groups or organizations which choose to collaborate with Austin Habitat. Churches across Austin help fund and build Austin Habitat homes. Campus organizations raise funds and volunteer on jobsites and civic organizations like the Junior League of Austin, Austin Junior Forum, etc. have supported the mission of Austin Habitat for many years.

Austin Habitat's mission of community partnership to eliminate poverty housing is at the daily forefront of all Habitat activities.

14. Accounting Requirements

By submitting this application, the applicant/developer agrees to comply with all reporting, record keeping and on-going monitoring requirements applicable to GO Bond financing of the proposed project.

Yes.